Annual Report 2005

Fulfilling our Mission.....

We are a professionally managed, service oriented defined contribution pension plan committed to helping our members build their retirement savings.

Achieving our Vision.....

To be the preferred pension plan for members and employers.

Maintaining our Values.....

The Capital Pension Plan is committed to integrity and professionalism in dealing with all stakeholders through prudent leadership, innovation and open, effective communication.

Capital
Pension Plan

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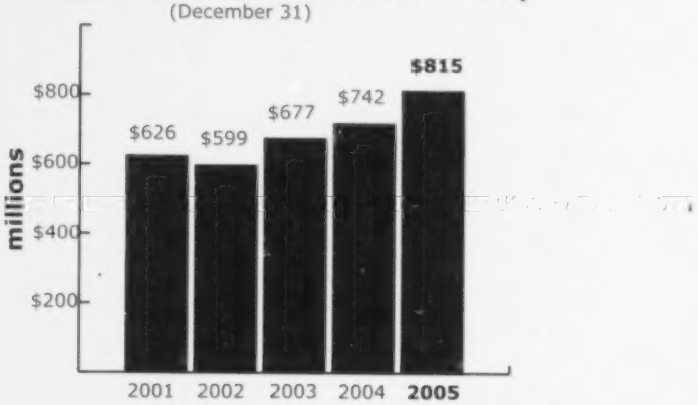
Financial Highlights -- Contributory Fund

Participating employers and contributing members make required contributions to the Capital Pension Plan. These contributions are deposited to the Plan's Contributory Fund. Within the Contributory Fund, the Plan operates two investment funds -- the Diversified Fund and the Pre-Retirement Fund. Investment of the assets in the Contributory Fund is delegated to professional investment managers under the supervision of the Pension Board.

The market value of the assets in the Contributory Fund at December 31, 2005 was $815 million.

Total Market Value of Contributory Fund
(Diversified Fund and Pre-Retirement Fund)
(December 31)



Historic Investment Performance for Diversified Fund
(with Comparative Benchmarks)
(December 31)

	2005		2004		2003		2002		2001	
	Diversified Fund	Benchmark	Diversified Fund	Benchmark	Diversified Fund	Benchmark	Diversified Fund	Benchmark	Diversified Fund	Benchmark
Total Fund	**9.62%***	**10.3%**	10.85%*	9.7%	13.73%*	13.2%	-3.30%*	-6.0%	2.94%*	-3.6%
Canadian Equities	**20.2%**	**24.1%**	18.7%	14.5%	26.6%	26.7%	-0.9%	-12.4%	7.0%	-12.6%
U.S. Equities	**5.8%**	**2.3%**	14.5%	2.8%	7.9%	5.3%	-25.5%	-22.9%	-6.5%	-6.4%
Non-North American Equities	**11.1%**	**10.7%**	8.3%	11.5%	12.8%	13.4%	-19.0%	-16.8%	-22.2%	-16.7%
Real Estate	**25.1%**	**11.0%**	15.8%	9.1%	9.0%	9.2%	11.6%	8.2%	7.8%	10.7%
Bonds	**6.9%**	**6.5%**	7.7%	7.1%	6.8%	6.7%	9.0%	8.7%	8.9%	8.1%

*Diversified Fund returns are net of all expenses.

Historic Compound Returns for Diversified Fund (with Comparative Market Indices)

(December 31)

	1 year	2 years	3 years	5 years	10 years
Diversified Fund	9.62%	10.23%	11.39%	6.59%	9.74%
S&P/TSX Composite Index	24.1%	19.2%	21.7%	6.6%	11.0%
S & P 500 Index	2.3%	2.5%	3.4%	-4.4%	7.4%
MSCI EAFE Index	10.7%	11.1%	11.8%	-0.6%	4.2%
SC UBI	6.5%	6.8%	6.8%	7.4%	7.7%
IPD Index	11.0%	12.0%	10.7%	10.2%	11.5%

Historic Annual Investment Performance and Comparative Benchmarks for Pre-Retirement Fund

(December 31)

	2005	2004	2003	2002	2001
Pre-Retirement Fund	**2.39%***	2.12%*	2.81%*	4.39%*	5.56%*
Benchmark	**2.6%**	2.3%	2.9%	2.5%	4.0%

*Pre-Retirement Fund returns are net of all expenses.

Compound Rates of Return and Comparative Benchmarks for Pre-Retirement Fund

(December 31)

	1 year	2 years	3 years	5 years	10 years
Pre-Retirement Fund	2.39%	2.26%	2.44%	3.45%	4.83%
91-day T-bills	*2.3%*	*2.4%*	*2.6%*	*3.0%*	*3.8%*

	Diversified Fund (000)		Pre-Retirement Fund (000)		Retirement Annuity Fund (000)		Total (000)	
	2005	2004	**2005**	2004	**2005**	2004	**2005**	2004
Investment Management Fees	**$1,774**	$ 1,358	**$5**	$6	**$35**	$32	**$1,814**	$1,396
Custodial Service Fees	**$99**	$95	**$3**	$3	**$4**	$5	**$106**	$103
Investment Performance & Consultant Fees	**$79**	$70	**$1**	$1	**$3**	$3	**$83**	$74
Actuarial Services	--	--	--	--	**$11**	$11	**$11**	$11
Auditor's Fees	**$16**	$14	**$2**	$2	**$6**	$6	**$24**	$22
General Administration	**$858**	$703	**$11**	$10	**$82**	$0**	**$951**	$713
Total	**$2,826**	$2,240	**$22**	$22	**$141**	$57	**$2,989**	$2,319

The overall management expense ratio (MER) for the Plan is approximately 0.34% or 34 basis points of the Plan's total market value. There was an increase in investment management fees, resulting from the increase in assets under management. There was also an increase in general administration expenses due to costs for the new pension administration system being amortized for a 3 month period. General administration expenses will also increase in 2006, as a full year of costs for the new system will be amortized.

**Actual expenses for General Administration for the Retirement Annuity Fund were $74,000 (rounded to the nearest thousand) in 2004, but were completely offset by a reimbursement of legal fees received during the year).

Performance Highlights -- Goals and Objectives

Goal 1 -- Financial Performance

Objectives -- Diversified Fund	*Results*	*Details*
Earn a rate of return that exceeds the return earned by the benchmark portfolio (rolling 4-year basis).	**Achieved**	Page 18
Each investment manager to exceed the benchmark index return for their respective asset class.	**Achieved** (except non-North American Equities)	Page 18
Achieve a minimum annualized rate of return that is 3% in excess of CPI over the long-term (i.e. 10 years).	**Achieved**	Page 19

Objectives -- Pre-Retirement Fund	*Results*	*Details*
Preserve capital in the short-term.	**Achieved**	Page 21
Earn a rate of return that is competitive with money-market investments.	**Achieved**	Page 21

Objectives -- Retirement Annuity Fund	*Results*	*Details*
To be immune to changes in the level of interest rates.	**Achieved**	Page 22
Provide sufficient liquidity to ensure payments to annuitants can be made when due.	**Achieved**	Page 22
To ensure long-term Fund solvency.	**Achieved**	Page 22

Goal 2 -- Effective Communication

Objectives -- Plan Members	*Results*	*Details*
Provide an annual statement within 75 days of the end of the fiscal year.	**Achieved**	Page 28
Provide "Welcome" letter and Plan Summary booklet within 30 days of receipt of Application for Enrollment.	**Achieved**	Page 28
Provide ongoing information about investment performance, legislative updates and provision changes at regular intervals.	**Achieved**	Page 28

Objectives -- Participating Employers	*Results*	*Details*
Provide ongoing information about investment performance, legislative updates and provision changes prior to providing the same information to Plan members.	**Achieved**	Page 28
Provide required updates to the Employer Administration Guide.	**Achieved**	Page 28

Goal 3 -- Accountability

Objectives	*Results*	*Details*
Monitor ongoing compliance with established investment policies by investment managers.	**Achieved**	Page 30
Monitor ongoing compliance with existing policies by Board members, Plan administration staff, consultants and service providers where applicable.	**Achieved**	Page 30

Goal 4 -- Service to members and employers

Objectives	*Results*	*Details*
Provide an annual statement within 75 days of the end of the fiscal year.	**Achieved**	Page 33
The weekly unit value shall be set and posted to the Plan's website within 1 business day of receiving all necessary information.	**Achieved**	Page 33
Statement/payment upon termination of membership provided within 14 days of receipt of all relevant documentation.		
Statement/payment on retirement provided within 30 days of the receipt of all relevant documentation.		
Satement/payment upon member death provided within 14 days of receipt of all relevant documentation.		
Pension estimates processed within 14 days of receipt of all relevant information.	**In progress** -- achieved based on ad-hoc evidence.	Page 33
Marriage breakdown estimates processed within 14 days of receipt of all relevant information.		
Portability transfer values calculated and provided within 14 days of receipt of all required information.		
Responses to written correspondence provided within 14 days of receipt.		
Return telephone calls and reply to email inquiries within 1 business day.		

Capital Pension Plan Board

Harvey McEwen, Chair
Capital Pension & Benefits Administration, Retired
Sub-committees
Investment

Ken Klein
Capital Pension & Benefits Administration
Sub-committees
Investment
Governance

Robert Wiebe
Saskatchewan Watershed Authority
Sub-committees
Governance

Cindy Ogilvie
Crown Investments Corporation
Sub-committees
Audit

David Olsen
CEP Local 911, ISM Canada
Sub-committees
Investment

Kevin Taylor
Saskatchewan Government Insurance
Sub-committees
Audit (Chair)
Governance

Micheal McPherson
Saskatchewan Housing Authorities
Sub-committees
Governance (Chair)

Don Axtell
Crown Investments Corporation
Sub-committees
Investment (Chair)
Audit

Larry Sheffer
COPE, Local 397

Message from the Chair

To: The Members of the Capital Pension Plan

Harvey McEwen, Chair
Capital Pension Plan Board

As Chair of the Pension Board for the Capital Pension Plan, I am pleased to present the Annual Report and audited Financial Statements for the fiscal year ending December 31, 2005.

2005 was a very busy and eventful year for the Capital Pension Plan. System development through the Capital*Connect* project was completed. The implementation of the new pension administration system and the conversion to a unitized method to allocate earnings occurred on September 30th.

On a personal note, after more than 18 years serving as Chair of the Capital Pension Plan Board, I have tendered my resignation effective December 31, 2005.

During my tenure, I have proudly participated in the growth and development of the Plan. Throughout the many changes that occurred over the years, Board members and Plan administration staff have maintained a steadfast focus on meeting the needs of Plan members.

I would like to thank my fellow Board members for their friendship and support during our time of shared commitment to the Capital Pension Plan. I wish them continued success in their endeavors to steward the Plan.

I also wish to thank Capital Pension Plan management and administration staff for their hard work throughout 2005. Testing and implementing the new pension administration system, the subsequent conversion to units as well as managing their regular duties on behalf of Plan members and employers is a testament to their dedication to the Plan.

In closing, I would like to thank our Plan membership for providing me with a rewarding career. I wish all Plan members health and happiness in the future.

Sincerely

Harvey E. McEwen
Board Chair, Capital Pension Plan

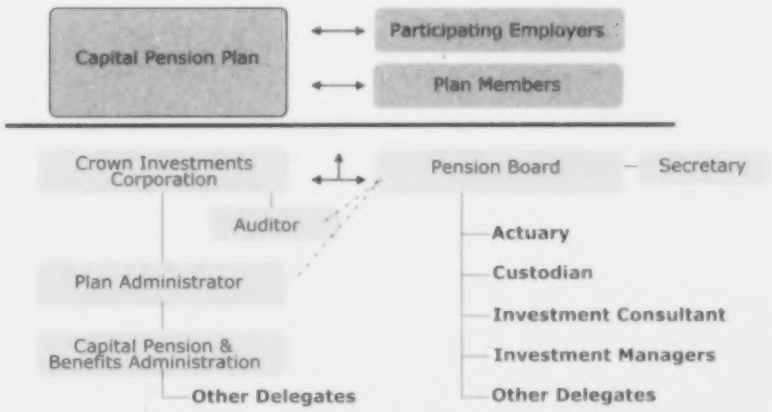
Board Governance

The Capital Pension Plan Board is committed to practicing sound governance principles. The Board strives to provide effective Plan management in a cost effective manner that contributes to the retirement goals of the Plan membership.

During 2005, the Pension Board concluded its review of the Plan's governance structures and practices. This hard work culminated in the development and implementation of a governance manual that incorporates many long standing policies, procedures, practices and accountabilities into one comprehensive source. The governance manual includes:

- the documentation of key performance goals that embody the Plan's Mission, Vision and Values -- financial performance, effective communication, accountability and responsiveness;

Capital Pension Plan Governance Structure



- documentation of roles and responsibilities for the Plan sponsor and Administrator, the Pension Board and Board sub-committees and the Plan's key service providers;
- assessment of the Plan's key risk factors and documented methods for managing risk;
- incorporation of the Plan's Code of Conduct, Conflict of Interest and Protection of Confidential Information and Privacy policies;
- documented communication policies that support the Plan's Mission, Vision and Values; and
- documented performance measures and a 3-year strategic business plan including strategic initiatives to accomplish the performance objectives and achieve the Plan's performance goals.

For 2006, the Pension Board will continue to review the governance process and develop performance indicators to measure member service and response timeframes.

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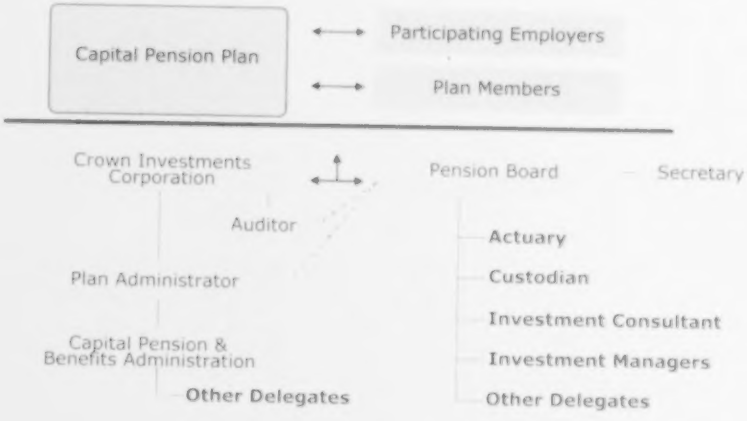

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Plan Profile

The Capital Pension Plan was established in 1976 as a defined contribution (money purchase) pension plan. The Plan's purpose is to provide employers with a cost and tax effective method of providing their employees with a means to systematically save for retirement.

The Plan sponsor is Crown Investments Corporation of Saskatchewan (CIC). Overall direction is provided by the Pension Board. The Plan sponsor appoints representatives to the Pension Board from the Plan's participating employers.

Participating employers include private corporations, labour unions, Crown corporations and other selected organizations.

The Capital Pension Plan can consider the membership of any employer interested in joining the Plan. In order to participate in the Plan, an employer must adopt the Plan by resolution of its Board of Directors.

Participating employers can determine the eligibility criteria for their employees to become contributing members of the Plan, pursuant to relevant legislative and regulatory requirements.

Both participating employers and contributing members make required contributions to the Plan. Contributing members make required contributions based on a percentage of the member's individual earnings. Participating employers are required to make a contribution on behalf of each of their contributing members in an amount at least equal to the member's required contribution, unless a higher rate of contribution has been established for the employer by resolution.

There are more than 60 employers participating in the Capital Pension Plan.

Contributing members may choose to make additional voluntary contributions to the Plan. Participating employers are not required to make contributions with respect to such voluntary contributions.

All member and employer contributions made on behalf of a member are directed to an individual account in the member's name. All contributions made on behalf of a member are subject to an annual maximum contribution limit established by the *Income Tax Act* (Canada).

Pat Hunter, Executive Secretary
Capital Pension & Benefits Administration

Vesting refers to the point in time when a member becomes entitled to all past and future contributions made by their employer on their behalf. Contributing members become vested at the earlier of:

- the completion of 2 years continuous employment service with a participating employer (employers have the option to establish a vesting period of less than 2 years); or
- the date of the member's death; or
- the date the member turns age 65.

Members that terminate employment prior to becoming vested forfeit their right to the employer's contributions made on their behalf.

Members use their accumulated equity in the Capital Pension Plan to provide pension income when they become eligible for retirement. Members become eligible for retirement at the earlier of:

- age 50; or
- when the sum of the member's age plus pensionable service totals 75.

Members may choose to defer receipt of pension income up to the end of the calendar year in which they turn age 69, pursuant to federal regulatory guidelines.

At retirement, members convert their Plan equity to pension income through the purchase of a retirement income product as prescribed by the legislation and/or regulations in the jurisdiction that pertained to the member when the last contribution to the pension plan was made.

Plan Capacity

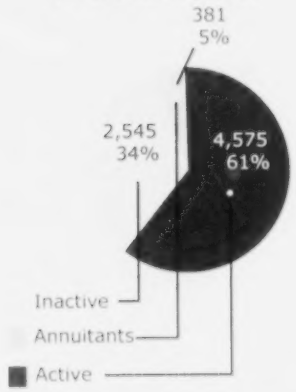
The Capital Pension Plan experienced modest annual membership growth in the past several years and has made initiatives to maintain capacity to handle growth. The implementation of the new pension administration system through the Capital*Connect* Project reinforces the Plan's capacity by enhancing administrative flexibility and attractiveness to potential employers as well as streamlining processes to meet members' needs.

To help the Plan sustain adequate value to enact its investment policy and maintain relatively low MERs, the Capital Pension Plan:

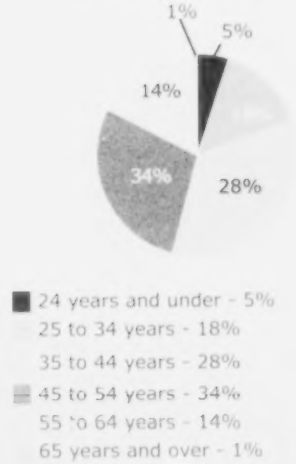
- provides active, contributing members with the option to make additional voluntary contributions to the Plan through payroll deduction, subject to CRA contribution limits (participating employers must also agree to deduct and remit on behalf of the employee);
- provides all vested Plan members with the option to leave their equity in the Plan, even if they have terminated their employment with a participating employer;
- provides all members (active and inactive) with the option to transfer existing RRSPs into their account with the Plan.

Further steps may be required to ensure sustained value in the Plan's contributory funds as the Plan's membership ages. Until recently, federal regulations prohibited defined contribution pension plans from administering pensions in payment. With the exception of purchasing a life annuity from the Retirement Annuity Fund (a "grandfathered" provision), Plan members were required to transfer their equity out of the Plan. In late 2005, these federal regulatory restrictions were removed. Defined contribution pension plans are now permitted to administer a variable benefit pension payment option (i.e. a P-RRIF) directly from the Plan, subject to federal and provincial guidelines. In 2006, the Capital Pension Plan will investigate the feasibility of administering a P-RRIF within the Plan.

Plan Membership
(December 31, 2005)



Plan Demographics
(December 31, 2005)



Membership Demographics

The demographics of the Plan's membership remains relatively young. As such, the investment policy of the Plan's main investment fund takes this into account, and contains a bias towards equity investments. Membership demographics are monitored annually to ensure the Plan's investment policy remains appropriate.

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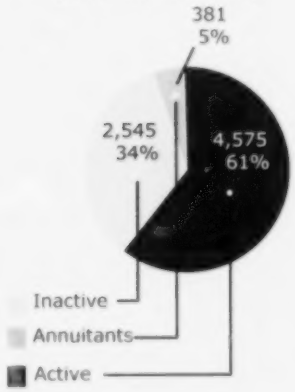

Plan Demographics
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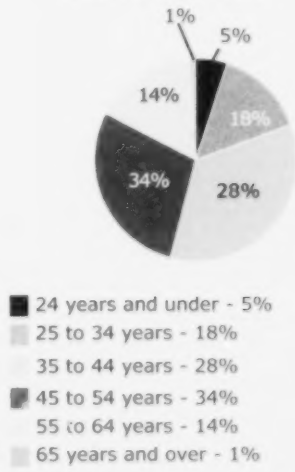

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Stan Jones, Manager, Accounting & Administration
Capital Pension & Benefits Administration

The purpose of the Capital Pension Plan is to provide eligible employees of participating employers with a tax-effective means to accrue savings for retirement within the context of their total compensation and competitive human resource practices. The purpose of the Plan is also to assist Plan members in making financial provision for their retirement by offering cost-effective and efficient administration and clear and timely communications.

The Pension Board has set several goals in order to successfully achieve the Plan's purpose. For each goal, the Board has established performance objectives along with benchmark performance expectations in which progress towards the goals can be measured.

Goal 1 -- Financial Performance

The Capital Pension Plan is a defined contribution pension plan whereby the Plan members bear the investment risk. The Plan receives contributions from members and participating employers and holds them in trust in the Plan's contributory fund. Contributions are invested in the Plan's investment funds to provide growth over time. At retirement, Plan members use their accumulated account balances to provide pension income.

Financial performance of the plan has a direct impact on the Plan's ability to fulfill its purpose. Investment performance has a direct impact on members' ability to build their retirement savings, pursuant to the Plan's mission and helps the Plan achieve its vision. Providing strong investment performance requires professionalism and prudent leadership, important values identified by the Pension Board. The Board acquires expertise by hiring industry professionals such as a custodian, asset consultant and professional investment managers to manage the assets of the Plan.

Investment Policy

With the expertise of the Plan's asset consultant, the Pension Board has developed investment policies for the Plan that is appropriate based on the demographics of the Plan's membership. The policies are documented in the Plan's *Statement of Investment Policy and Goals*

and includes the asset mix guidelines for the Plan's investment funds, quality and quantity constraints for each type of appropriate asset, the portfolio benchmarks and performance objectives. At a minimum, the *Statement of Investment Policies and Goals* is reviewed annually and revised as required to ensure continued appropriateness.

The Contributory Fund

Contributions received on behalf of Plan members are deposited to the Contributory Fund. To meet members' investment needs, the Capital Pension Plan operates two investment funds -- the Diversified Fund and the Pre-Retirement Fund.

Investment of the assets in the Contributory Fund is delegated to professional investment managers under the supervision of the Pension Board. The Pension Board monitors each Fund based on the guidelines established in the investment policy.

The Diversified Fund

For the Diversified Fund, the investment managers are directed to achieve a satisfactory long-term real rate of return through a diversified portfolio within their mandate, consistent with acceptable risks and prudent management. To achieve this long-term goal, the Plan has adopted an asset mix that has a bias towards equity investments. Risk is controlled by investing in a well diversified portfolio of asset classes and managers. The Plan uses predominately active management, which provides the opportunity to outperform specific investment benchmarks. Passive management is used in a portion of the Fund's bond and U.S. equity portfolio given the lesser ability for active managers to add value in bonds and lower costs for U.S. equities.

Diversified Fund Investment Managers

The assets of the Diversified Fund are managed by four investment managers:

Greystone Capital Management Inc. (Greystone) actively manages a diversified portfolio including Canadian and foreign equities, Canadian bonds, real estate and short-term investments. Greystone contracts Goldman Sachs and Hansberger Global Investors to manage the non-North American equities portion of their portfolio.

Diversified Fund
Asset Mix Guidelines

Asset Class	Min.	Max.	*Benchmark*
Canadian Equities	14%	24%	*19%*
U.S. Equities	13%	25%	*19%*
non-North American Equities	15%	23%	*19%*
Real Estate	3%	7%	*5%*
Bonds/Mortgages	26%	46%	*36%*
Short-term Investments	1%	15%	*2%*

Diversified Fund
Asset Mix
December 31, 2005

Asset Class	Actual % Dec. 31, 2005
Canadian Equities	18.9%
U.S. Equities	19.5%
non-North American Equities	15.3%
Real Estate	5.4%
Bonds/Mortgages	35.0%
Short-term investments	5.8%

State Street Global Advisors (SSgA) is responsible for a portion of the Canadian bond portfolio and employs a passive (i.e. index) management style. In 2004, State Street's mandate was expanded to include a portion of the Fund's U.S. equity portfolio.

Lincluden Management Limited (Lincluden) is a value style manager and is responsible for a portion of the Diversified Fund's Canadian equity portfolio.

Tweedy Browne Company LLC (Tweedy) is a value style manager and is responsible for a portion of the Diversified Fund's non-North American equity portfolio.

Diversified Fund Benchmark Portfolio Guidelines

Asset Class	Weight	Market Index
Canadian Equities	19%	S&P/TSX Composite Index
U.S. Equities	9%	S&P 500 Index ($C)
U.S. Equities (Large Cap)	7%	S&P 500 Index (Hedged)
U.S. Equities (Mid-Cap Synthetic)	3%	S&P 400 Index (Hedged)
non-North American Equities	19%	MSCI EAFE Index ($C)
Real Estate	5%	Investment Property Index
Bonds	38%	SC Universe Bond Index
Short-term/cash	2%	91-day t-bills

Performance Expectations

Investment performance is evaluated against a benchmark portfolio consisting of specific weightings for each of the Fund's major asset classes. The return of the benchmark portfolio is calculated by multiplying the benchmark weightings by the rate of return achieved by the relevant market index. The amount by which actual performance exceeds the benchmark reflects the value added by the investment managers.

The Board has established three performance objectives for financial performance of the Diversified Fund. Although performance is monitored quarterly, for the purpose of evaluating the Fund and investment managers, performance is assessed over rolling 4-year periods, or even longer (i.e. 10 years) as outlined in the *Statement of Investment Policy and Goals*.

Objective 1
Earn a rate of return that exceeds the return earned by the benchmark portfolio.

Objective 2
Each investment manager to exceed the benchmark index return for their respective asset class.

Objective 3
Achieve a minimum annualized rate of return that is 3% in excess of the Consumer Price Index (CPI) over the long-term (i.e. 10 years).

Performance Results

Objective 1 -- Achieved

The 4-year rolling return for the Diversified Fund exceeded the return earned by the benchmark portfolio.

Diversified Fund Performance
(Objective 1)

	Annual Return	4-year Rolling Return
Diversified Fund	9.62%*	7.73%*
Benchmark Portfolio	*10.3%*	6.6%

*Diversified Fund returns are net of all expenses.

Objective 2 -- Achieved, except non-North American Equities

In line with overall 4-year performance, the investment managers provided 4-year rolling returns in excess of respective benchmarks for the Plan's asset classes, with the exception of non-North American equities. 4-year rolling returns are not available for State Street Global Advisors (SSgA) or Tweedy Browne LLC (Tweedy) since their investment mandate with the Plan began less than 4 years ago.

Both Greystone and Lincluden achieved 4-year rolling returns in excess of the S&P/TSX Composite Index for the Canadian equities asset class. Greystone also achieved returns in excess of the benchmark for their U.S. equities, bonds and real estate investment mandates.

Canadian Equities Performance
(Objective 2)

	Annual Return	4-year Rolling Return
Combined Performance	20.2%	15.6%
Greystone	27.9%	14.5%
Lincluden	10.3%	15.8%
S&P/TSX Composite Index	*24.1%*	*12.1%*

The annual investment performance of SSgA exceeded their relevant index benchmarks for both their U.S. equity and bond portfolio mandates. SSgA acquired their U.S. Equity mandate on April 1, 2004 and their bond mandate on March 1, 2002. Therefore 4-year rolling return data is not available.

The Diversified Fund's non-North American equities did not achieve the established objective. Although Greystone's annual performance exceeded the MSCI EAFE Index return, their 4-year rolling return fell short of the benchmark. Tweedy was hired effective April 1, 2004 to manage a portion of the Fund's non-North American equity portfolio. Their annual performance fell short of the benchmark. A 4-year rolling return cannot be evaluated since their mandate began less than 2 years ago.

U.S. Equities Performance
(Objective 2)

	Annual Return	4-year Rolling Return
Combined Performance	5.8%	-0.6%
Greystone	5.6%	-1.7%
S&P 500 Index	*2.3%*	*-3.9%*
SSgA Large Cap	3.9%	na
S&P 500 Index (Hedged)	*3.9%*	*na*
SSgA Mid-Cap Synthetic	11.4%	na
S&P 400 Index (Hedged)	*11.3%*	*na*

Non-North American Equities Performance
(Objective 2)

	Annual Return	4-year Rolling Return
Combined Performance	11.1%	3.0%
Greystone	13.0%	2.2%
Tweedy	5.9%	na
MSCI EAFE	*10.7%*	3.9%

Bond Performance
(Objective 2)

	Annual Return	4-year Rolling Return
Combined Performance	6.9%	7.6%
Greystone	7.1%	7.6%
SSgA	6.5%	na
SC UBI	6.5%	7.3%

Real Estate Performance
(Objective 2)

	Annual Return	4-year Rolling Return
Greystone	25.1%	15.2%
IPD Index	*11.0%*	10.2%

10-year Annualized Return
(Objective 3)

	10-year Return	CPI
Diversified Fund	9.90%*	2.1%

*Diversified Fund return is net of all expenses.

Objective 3 -- Achieved

The long-term investment performance of the Diversified Fund far exceeded its third objective to provide a return that is 3% above CPI. The average 10-year CPI rate was 2.1%, therefore the objective return would be calculated as 5.1% (2.1% + 3%). Actual investment performance of the Diversified Fund provided a total return of 9.90% for the period.

The Pre-Retirement Fund

The Pension Board recognizes that members' tolerance towards investment risk may diminish as retirement approaches. To this end, the Plan provides the Pre-Retirement Fund, designed to preserve capital in the short-term. The asset mix of the Pre-Retirement Fund consists of short-term investments (i.e. money market) solely.

Since the Pre-Retirement Fund is designed for short-term investing, the Fund is an investment option restricted to Plan members who are within 5 years of their earliest possible retirement date. Eligible members must actively inform Plan administrators of their intention to transfer some or all of their equity and/or direct their contributions to the Pre-Retirement Fund.

Pre-Retirement Fund Investment Manager

Greystone Capital Management Inc. (Greystone) manages the entire portfolio of the Pre-Retirement Fund.

Performance Expectations

The performance of the Pre-Retirement Fund is measured against a benchmark portfolio consisting of 91-day t-bills.

The Board has established two performance objectives for the Pre-Retirement Fund.

Objective 1
Preserve capital in the short-term.

Objective 2
Earn a rate of return competitive with money-market investments.

Pre-Retirement Fund
Asset Mix Guidelines

Asset Class	Min.	Max	*Benchmark*
short-term investments (money market)	100%	100%	*100%*

Pre-Retirement Fund
Asset Mix
December 31, 2005

Asset Class	Actual % Dec. 31, 2005
short-term investments	100%

Pre-Retirement Fund
Benchmark Portfolio
Guidelines

Asset Class	Weight	Market Index
91-day t-bills	100%	Scotia Capital 91-day T-bill Index

Pre-Retirement Fund Performance
(Objectives 1 & 2)

	Annual Return	4-year Rolling Return
Greystone	2.39%*	2.93%*
91-day T-bills	2.6%	2.6%

Pre-Retirement Fund returns are net of all expenses.

Performance Results

Objective 1 -- Achieved

Greystone achieved the objective of preserving capital in the short-term by providing positive investment performance.

Objective 2 -- Achieved

Greystone achieved the objective by achieving a rate of return competitive with money market investments based on the 4-year rolling return. On an annual basis, the difference between the actual annual return and the benchmark return can be largely attributed to investment management and administration expenses.

The Retirement Annuity Fund

The Retirement Annuity Fund was established to provide lifetime pension annuities to members of the Capital Pension Plan. Members wishing to receive pension income through the purchase of a life annuity may do so through the Retirement Annuity Fund (RAF) or from a life insurance company.

When a member chooses to purchase a life annuity from the Retirement Annuity Fund, his/her equity is transferred from the Plan's Contributory Fund to the Retirement Annuity Fund and a life annuity contract is established. The life annuity contract must comply with applicable provincial legislative guidelines.

A life annuity provides guaranteed lifetime income to the annuitant. Depending on the type of life annuity purchased, guaranteed lifetime survivor benefits may be payable to the annuitant's spouse. There may also be survivor benefits available to other designated beneficiaries, depending on the type of life annuity purchased as well.

Retirement Annuity Fund Investment Managers

The investments of the Retirement Annuity Fund are managed by Greystone Capital Management Inc.

Performance Expectations

The mandate of the Retirement Annuity Fund is to provide lifetime retirement benefits to members that purchase a life annuity from the Fund. All annuities are fully funded when purchased, so no further contributions are required to fund future benefit accruals. The Plan ensures that the annuities are appropriately structured and the Fund is managed to ensure the annuity promise is fulfilled.

The performance objectives of the Fund are:

Objective 1
To be immune to changes in the level of interest rates.

Objective 2
To provide sufficient liquidity to ensure payments to annuitants can be made when due.

Objective 3
To ensure long-term Fund solvency.

Retirement Annuity Fund Equity Performance

	Annual Return	4-year Rolling Return
Canadian Equities	27.5%	14.3%
S&P/TSX Composite Index	*24.1%*	*12.1%*
non-North American Equities	12.9%	2.1%
MSCI EAFE Index	*10.7%*	*3.9%*

Performance Results

An actuarial valuation is conducted annually for the Retirement Annuity Fund to ensure that the Fund's performance objectives are achieved.

Objective 1 -- Achieved

The Fund manager successfully implemented the duration matching strategy throughout 2005 to ensure the Fund remains immune to interest rate changes.

Objective 2 -- Achieved

The Fund contained sufficient liquidity to ensure that all payments to annuitants were paid when due during 2005.

Objective 3 -- Achieved

According to the actuarial valuation, the Retirement Annuity Fund remained fully funded on both a solvency and a going concern basis throughout 2005.

Excerpt from the annual Actuarial Valuation Report for the Retirement Annuity Fund, prepared by AON Consulting as at December 31, 2005

Section 3: Actuarial Opinion and Representations

Actuarial Opinion

With respect to the Capital Pension & Benefits Administration Retirement Annuity Fund we have prepared an actuarial valuation as at December 31, 2005 for the purpose of determining the necessary actuarial information for financial statement reporting in accordance with Section 3461 of the CICA Handbook. In my opinion, for the purpose of this actuarial valuation:

- the data on which this valuation is based are sufficient and reliable;
- where applicable, the assumptions have been adopted as management's best estimates for accounting purposes and consequently I have not rendered an opinion on them; however, in my opinion, the assumptions are, in aggregate not unreasonable, when considering the circumstances of the plan and the purpose of the valuation;
- the actuarial cost methods, asset valuation methods and extrapolation methods employed are appropriate; and
- the valuation and extrapolation conform with the requirements of Section 3461 of the CICA Handbook.

Nonetheless, emerging experience differing from the assumptions will result in gains or losses which will be revealed in subsequent valuations.

Representations to the Auditor

The following statements are made in connection with the use of the results of our December 31, 2005 actuarial valuation for CICA Section 3461 statement reporting purposes as evidence for the audit of the fund's financial statements as at December 31, 2005 by the external auditors.

- Aon Consulting Inc. has been engaged by Capital Pension & Benefits Administration as the valuation actuary for the Retirement Annuity Fund to prepare an actuarial valuation as at December 31, 2005 for CICA Section 3461 statement reporting purposes and I confirm that the valuation performed at this date is in accordance with the requirements of Section 3461.

- I confirm that I am a Fellow in good standing with the Canadian Institute of Actuaries (CIA).

- I confirm that I have no interest or relationship with the plan or the plan's sponsor that would impair the objectivity of the work prepared in respect of this engagement.

- The plan is a defined benefit plan as defined by Section 3461 of the CICA Handbook.

- I confirm that the December 31, 2005 actuarial valuation has been performed in accordance with the standards of the Canadian Institute of Actuaries.

- I confirm that the December 31, 2005 actuarial valuation has been performed using a discount rate assumption determined in accordance with Section 3461 and all other assumptions in accordance with management's best estimate as described in Appendix D. A statement of my opinion on these assumptions in accordance with CIA standards is contained above under *Actuarial Opinion*. The actuarial assumptions were developed based on input from Aon.

- In preparing the December 31, 2005 actuarial valuation, I have adopted a materiality guideline that is no greater than $150,000.

- I have performed procedures to satisfy myself of the accuracy and completeness of the source data in light of the specified level of materiality.

- I have relied upon Capital Pension & Benefits Administration to advise me of any plan changes and events that have occurred up to the date of this report. Based on discussions with them, I confirm that no subsequent events have been brought to my attention.

- I confirm that I am not aware of any events occurring subsequent to December 31, 2005 and prior to the date of this report that would have a material effect on the valuation results.

Donald L. Ireland
Fellow, Society of Actuaries
Fellow, Canadian Institute of Actuaries

February 22, 2006

Goal 2 -- Effective Communication

The Capital Pension Plan is committed to open, effective communication practices. The Plan produces communication material in various formats to help meet differing needs of Plan members and participating employers.

Communication Policy

In 2004, the Plan conducted comprehensive surveys of current participating employers and Plan members. The results of the surveys were utilized in the development of a documented communication policy in 2005.

The communication policy was developed with Plan member and participating employer feedback gathered from surveys conducted in 2004.

The policy establishes the parameters of the Plan's communication practices that:

- support the Plan's Mission, Vision and Values;
- are in accordance with industry best practices;
- strive to meet the needs of Plan members and participating employers; and
- do not negatively impact Plan liability.

The policy establishes the responsibilities of the Plan, the participating employers and the Plan membership regarding effective communication. The policy outlines guidelines for the provision of information, updates and education material to plan members and participating employers. The policy also outlines guidelines regarding the preparation and distribution of specific communication materials utilized by the Plan.

Performance Expectations

Plan members

Plan member communication initiatives are designed to inform members about the role of the Capital Pension Plan within their retirement plans, enhance member knowledge about Plan provisions and relevant legislation, promote understanding regarding retirement preparation and provide appropriate information and tools to facilitate member decisions.

Arlene Stinson, Senior Pension Clerk
Capital Pension & Benefits Administration

The performance objectives established for member communication are:

Objective 1
Provide Plan members with an annual statement within 75 days of the end of the fiscal year, pursuant to applicable legislative guidelines.

Objective 2
Provide a "Welcome" letter and Plan Summary booklet within 30 days of the Application of Enrollment being received by the Plan (participating employers provide a "Plan Overview" document to new employees prior to enrollment in the Plan).

Objective 3
Provide ongoing information about the investment performance, of the Diversified Fund and the Pre-Retirement Fund, legislative updates, changes to Plan provisions, operational and administrative practices at regular intervals.

Participating Employers

The performance objectives established for communication to participating employers are:

Objective 1
Provide ongoing information regarding legislative updates, changes to Plan provisions, operational and administrative practices prior to providing the same information to Plan members.

Objective 2
Provide required updates to the Employer Administration Guide for changes that impact employer administration to ensure the manual remains current.

Performance Results -- Plan members

Objective 1 -- Achieved

Annual Member's Statements were mailed on February 2, 2005.

Objective 2 -- Achieved

In accordance with operational practices, a mailing is prepared at least once per month to distribute "Welcome" letters and Plan Summary booklets to any new members.

According to survey results, Plan members generally like the convenience of the internet, but also like receiving information through the mail.

Objective 3 -- Achieved

Year-to-date rates of return and unit values (after September 30th) were posted to the Plan's website weekly. Compound rates of return were included in three issues of the Plan's newsletters during 2005. Changes to the *Pension Benefits Act, 1992* were communicated to Plan members in the June 2005 issue of the newsletter.

Plan members also received regular updates regarding the progress of the Capital*Connect* Project. A Special Edition of the newsletter was distributed at the beginning of August to inform Plan members of the implementation of the new system effective September 30th.

Performance Results -- Participating Employers

According to survey results, participating employers believe that the Employer Administration Guide and Employer Update Bulletins are useful tools.

Objective 1 -- Achieved

A total of 7 Employer Update Bulletins were issued throughout 2005 to ensure participating employers received required information regarding changes to federal contribution limit maximums for 2005, changes to the *Pension Benefits Act, 1992* and administrative changes resulting from the implementation of the new pension administration system resulting from the Capital*Connect* Project.

Objective 2 -- Achieved

Required updates to the Employer Administration Guide were distributed to all participating employers throughout the year. An electronic version of the entire guide is available on the Plan's website.

Laura Frohlick, Senior Pension Clerk
Capital Pension & Benefits Administration

Goal 3 -- Accountability

Effective Plan management requires a strong focus on accountability, the basis of which is the establishment of measurable objectives and the monitoring of progress against these objectives.

Accountability Policies

The Pension Board has established several policies pertaining to accountability:

- the *Statement of Investment Policy and Goals* requires ongoing compliance reporting by investment managers;
- a Code of Conduct is established for the Pension Board and Plan administration staff;
- A Conflict of Interest Policy is established for the Pension Board and Plan administration staff and service providers (where applicable);
- a Protection of Confidential Information and Privacy Policy is established regarding the handling of confidential information by Plan administration staff and service providers (where applicable).

Performance Expectations

The performance objectives established for accountability are:

Objective 1
Monitor ongoing compliance with established investment policies by investment managers.

Objective 2
Monitor ongoing compliance with the established Code of Conduct, Conflict of Interest and Protection of Confidential Information and Privacy policies by Board members, Plan administration staff, consultants and service providers where applicable.

Performance Results

Objective 1 -- Achieved

The Plan's investment managers provided compliance reports pursuant to the *Statement of Investment Policies and Goals* to the Pension Board on a quarterly basis.

Objective 2 -- Achieved

The guidelines established in the Code of Conduct, Conflict of Interest and Protection of Confidential Information and Privacy policies were enforced throughout 2005. Service providers and new staff were provided with the policies and required to declare their compliance.

Goal 4 -- Service to Members and Employers

The Capital Pension Plan remains committed to providing exceptional service to Plan members and participating employers. A culture of "members first" is established within the Capital Pension Plan administration.

According to survey results, participating employers believe the Capital Pension Plan provides great service.

In 2004, a survey of the Plan's participating employers was conducted to assess employers' attitudes regarding service received from the Capital Pension Plan. In 2005, a similar survey of the Plan's membership was conducted.

The Capital Pension Plan recognizes that the Plan is a key element to its members' overall financial security and is an important component in an employer's human resource strategies. The Pension Board recognizes the changes taking place within the workforce and the employers' need to respond to these challenges in innovative ways. Accordingly, the Pension Board is committed to ensuring plan design and delivery provide enough choice to meet member needs and are sufficiently responsive to evolving human resource policies.

Participating employers also commented that their employees report that the service provided by the Capital Pension Plan is excellent.

Performance Expectations

The following performance objectives have been established regarding service to members and participating employers:

Objective 1
The Annual Member Statement will be distributed within 75 days of the end of each fiscal year, pursuant to guidelines in the *Pension Benefits Regulations, 1993.*

Objective 2
The weekly unit value shall be set and posted to the Plan's website within 1 business day of receiving all necessary information.

Objective 3
A statement on termination of membership will be distributed within 14 days from the date of receipt of information regarding termination of membership from the employer or a written request for information from the member. Payment of termination benefits in accordance with legislative guidelines will be processed within 14 days of receipt of all required documentation,pursuant to guidelines in the *Pension Benefits Regulations, 1993.*

Objective 4
A statement on retirement will be provided within 30 days of the receipt of all required forms, pursuant to guidelines in the *Pension Benefits Regulations, 1993.*

Objective 5
A statement upon the death of a member will be provided within 14 days of the receipt of satisfactory proof of death. The payment of death benefits in accordance with legislative guidelines will be processed within 14 days of receipt of all required documentation pursuant to guidelines in the *Pension Benefits Regulations, 1993.*

Objective 6
Pension estimates will be processed within 14 days of receiving all necessary information.

Objective 7
Marriage breakdown estimates shall be processed within 14 days of receiving all required information.

Objective 8
Portability transfer values will be calculated and provided within 14 days of receiving all required information.

Objective 9
Responses to written correspondence from Plan members and participating employers will be provided within 14 days of receipt.

Objective 10
Return telephone calls and reply email inquiries to Plan members and participating employers shall be provided within 1 business day.

Ken Klein, Executive Director
Capital Pension & Benefits Administration

Performance Results

Objective 1 -- Achieved

The Annual Member's Statement was distributed to Plan members on February 2nd, 2005.

Objective 2 -- Achieved

The unit values (after September 30th, 2005) and year-to-date rates of return for the Plan's investment funds were posted to the Plan's website within 1 business day of the receipt of all required information.

Objectives 3 to 10 -- In Progress

Ad hoc evidence within Plan administration supports that these objectives have been achieved during 2005. A system to track these objectives is scheduled to be developed and implemented in 2006.

Key Risk Factors

Within its mandate, the Pension Board is responsible for assessing and managing risks that could negatively impact the operation of the pension plan and the plan's members and other stakeholders. Through its strategic planning and risk management processes, the Pension Board identifies and evaluates such risks and ensures appropriate strategies are in place to manage risk.

The Pension Board has developed a risk management strategy that includes:

- reviewing of the risk management performance for the previous year and the progress made with respect to annual goals;
- identifying and assessing the impact and probability of key plan risks; and
- establishing risk management strategies for the upcoming year and identify any specific goals for the year.

The following are the risks identified for the Plan as well as the strategies to manage these risks:

Financial Risk -- inadequate performance of assets.

The risk management strategy includes:

- the development and implementation of the *Statement of Investment Policies and Goals*, including an annual review to ensure the policies remain appropriate for the Plan;
- regular communication of investment performance through the annual report, Annual Member's Statements, the newsletter and the Plan's website;
- in addition to the Pension Board, independent monitoring of investment managers by the Plan's asset consultant and custodians;
- defining benchmarks for investment performance and assessing actual performance of investment managers against these benchmarks;
- permitting member directed investment choice by providing members who are within 5 years of their earliest possible retirement date with the choice between the Diversified (balanced) Fund and the Pre-Retirement (money-market) fund.

Service Provider Risk -- inadequate performance by service providers.

The risk management strategy includes:

- annual budget setting and monitoring;
- establishing performance measures and benchmark indicators for the Plan administrator, investment consultant, investment managers, actuary and custodian and assessing performance annually against the benchmark indicators;
- established service provider selection criteria are established and utilized when selecting a new service provider.
- service providers are to possess disaster recovery plans in the event the service provider is unable to fulfill their contracted obligation to the Plan.

Compliance Risk -- Failure to comply with legislative requirements or meet fiduciary obligations.

The risk management strategy includes:

- independent investment monitoring to ensure compliance with legislative guidelines;
- Pension Board's periodic checklist to monitor compliance with legislative requirements;
- established Code of Conduct and Conflict of Interest policies;
- training and development program to educate Board members regarding their fiduciary obligations to Plan members;
- annual strategic and business planning;
- review and verification of a periodic checklist that identifies major items that are necessary for the administration of the Plan and ensures the tasks are performed as required;
- accessing legal advice/guidance as required regarding relevant issues. Legal counsel is retained by the Plan administrator based on advice received by the Corporation's legal counsel.

Communications Risk -- Failure of Plan members to understand the role of the pension plan in the attainment of their retirement objectives and failure to understand their individual rights and obligations.

- development and implementation of the Plan's communication policy that provides the framework on how the Pension Board will communicate with Plan members and participating employers;

- enhanced retirement preparation information services including retirement information seminars, individual meeting with Plan members (by appointment) to review pension estimates and the implications of retirement choices, and web-based tools to assist members develop customized pension estimates for themselves.

- provision of readily accessible communication material at regular intervals to reinforce key messages regarding Plan member rights and obligations regarding their retirement preparation.

Plan Design Risk -- Failure to meet the needs of Plan members and/or participating employers.

- consult with Plan members and participating employers on a regular basis to determine needs (i.e. surveys, monitoring ad hoc requests).

The Pension Board has developed a strategic business plan to pursue the established goals and achieve the performance objectives of the Plan. The business plan itemizes tasks to be completed during each year of the 3-year time period to the end of 2008. The business plan provides guidance to the Plan administrators and Pension Board regarding priorities and can be utilized as a performance measure to determine progress towards the key goals and established objectives for successful pension plan performance. The business plan focuses on the following aspects of the Plan's performance:

- effective communication;
- plan governance;
- accountability;
- exploring value added services; and
- responding to member and employer needs.

Key Initiatives for 2006

Communication

- determine and budget for resource requirements;
- assess key information and data collected from stakeholders to determine best practices;
- revise communication policy as necessary.

Governance

- review Governance manual;
- continue development of Pension Board knowledge and skills.

Accountability

- plan and conduct dialogue with Plan administration staff to establish service standards and measurement for results;
- identify key performance indicators, research benchmarks and establish baseline data;
- review and communicate Pension Board's strategic plan;
- conduct Pension Board self assessment;
- complete an audit of the system changes implemented for the purposes of unitization;
- establish a schedule for publishing service standards and publish initial service standards.

Value Added Services

- assess implications of P-RRIFs, review CRA rules, determine potential interest among current Plan members for the option and possible timing of implementation;
- decide strategy regarding P-RRIFs, determine policy and design, develop implementation plan and budget.

Responsiveness

- develop policy regarding additional investment choices, research best practices among other plans, assess practices relative to Mission, Vision and Values, examine alternative implementation strategies (i.e. lifecycle discipline), conduct stakeholder consultations.

Key Initiatives for 2007

Communication

- implement revised communication policy on a phased-in basis;
- seek and obtain approval for necessary legislation regarding permissible funds;
- seek and obtain approval for necessary legislation regarding P-RRIFs.

Governance

- conduct annual assessment of plan governance program.

Accountability

- publish results of research into key performance indicators;
- publish the progress made the previous year in relation to strategic plan;
- act on the results of the Pension Board self assessment;
- review the strategic plan.

Value Added Services

- develop and adopt a comprehensive value added services plan;
- identify and assess options for financing value added services;
- identify and assess alternative delivery strategies, including the potential role of outside resources;
- implement P-RRIFs if approved;
- implement multiple funds if approved.

Responsiveness

- if approved, implement policy for additional investment choices on a phased-in basis;
- if approved, implement policy for P-RRIFs on a phased-in basis.

Key Initiatives for 2008

Communication

- continue to review and revise, as required the communication policy;
- conduct the first annual assessment of progress made in implementing the plan.

Governance

- conduct annual assessment of the plan governance program;

Accountability

- re-assess the adopted service standards and performance indicators;
- publish results in relation to standards, performance indicators and strategic plan;
- act on the results of Pension Board self-assessment;
- review strategic plan.

Value Added Services

- implement additional information services;
- review progress in relation to Value Added Service Plan and make revisions as needed.

Responsiveness

- continue to implement policy for additional investment choices, if applicable;
- continue to implement policy for a P-RRIF, if applicable.

Service Providers

Investment Managers -- Diversified Fund
Greystone Capital Management Inc., Regina, Saskatchewan
Lincluden Management Limited, Oakville Ontario
State Street Global Advisors, Toronto, Ontario
Tweedy Browne Company LLC, New York, New York

Investment Managers -- Pre-Retirement Fund
Greystone Capital Management Inc., Regina, Saskatchewan

Investment Managers -- Retirement Annuity Fund
Greystone Capital Management Inc., Regina, Saskatchewan

Asset Consultant
James P. Marshall, a Hewitt Company, Regina, Saskatchewan

Custodian
Royal Trust, Calgary, Alberta

Auditors
KPMG, LLP, Regina, Saskatchewan

Capital*Connect* Project
CPAS Systems Inc., Toronto Ontario
CGI, Regina, Saskatchewan
FCI Accelerated Solutions Inc., Regina, Saskatchewan

91-day T-bills

Canadian Treasury Bills represent the highest quality short-term investment instruments available. The index is constructed by selling and repurchasing Government of Canada t-bills with an average term to maturity of 91 days.

Consumer Price Index (CPI)

Measures the relative prices at various times of a select group of goods and services which typify those purchased by urban families. It is used to gauge Canada's inflation rate.

Morgan Stanley Capital International Europe, Australia and Far East Index (MSCI EAFE)

The MSCI EAFE Index measures the total return attributable to the largest capitalized companies on the European, Australian and Far Eastern stock exchanges.

Investment Property Databank Index (IPD Index)

The ICREIM/IPD Canadian Property Index is published by the Investment Property Databank Ltd., under contract with the Canadian Institute of Real Estate Investment Managers. The IPD Index measures total returns on a diversified pool of properties. IPD compiles property level information from pension funds, life insurance companies and real estate managers on a quarterly basis. The index contains over 1,700 properties.

Scotia Capital Markets Universe Bond Index (SC UBI)

The SC UBI measures the total return attributable to Canadian bonds and includes representatives by issuer (federal, provincial, municipal and corporate), quality (AAA, AA, A and BBB), and term (short-term, mid-term and long-term).

Standard & Poors 500 Composite Stock Index (S&P 500 Index)
The S&P 500 Index measures the total return attributable to the 500 largest capitalized companies on the U.S. stock exchanges.

S&P 500 Index (Hedged)
A synthetic hedging model constructed by Northwater Capital Management Corporation. Through the use of derivative products, the return of the index is hedged to Canadian dollars to mitigate currency risk.

S&P 400 Index (Hedged)
The S&P 400 Index consists of 400 medium-sized companies chosen for market size, liquidity and industry group representation. The index is hedged back into Canadian dollars to mitigate currency risk.

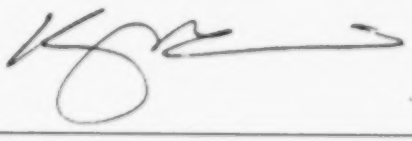
S&P/TSX Composite Index
The index comprises of approximately 71% of market capitalization for Canadian-based, Toronto Stock Exchange listed companies. It is calculated on a float market capitalization and is the broadest Canadian equity index available. The index also serves as the premier benchmark for Canadian pension funds and mutual market funds.

Management's Responsibility for Financial Reporting

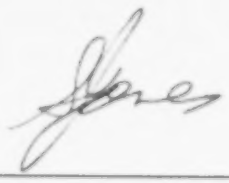
The financial statements and information contained in this 2005 Annual Report have been prepared by management of the Capital Pension and Benefits Administration and have been approved by the Pension Board. Information presented in this Annual Report that relates to its operations and financial position of the Capital Pension Plan is consistent with that in the financial statements.

The Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles and are consistently applied, using management's best estimates and judgements where appropriate. Management is responsible for the reliability and integrity of the Consolidated Financial Statements and other information presented in this Annual Report.

KPMG, the Plan's external auditor, provides an independent audit for the financial statements. Its examination is conducted in accordance with Canadian generally accepted auditing standards and includes tests and other procedures that allow it to report on the fairness of presentation of the financial statements prepared by management.



K.M. Klein
Executive Director



S. Jones
Manager, Accounting and Administration

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Financial Statements of

CAPITAL PENSION PLAN
DEFINED CONTRIBUTION FUNDS

Year ended December 31, 2005

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AUDITOR'S REPORT

To the Members of Capital Pension Plan - Defined Contribution Funds

We have audited the statement of net assets available for benefits of the Capital Pension Plan - Defined Contribution Funds as at December 31, 2005 and the statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Capital Pension Plan - Defined Contribution Funds as at December 31, 2005 and the changes in the net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
February 23, 2006

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CAPITAL PENSION PLAN

DEFINED CONTRIBUTION FUNDS

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

As at December 31

	2005			2004
	Diversified Fund	Pre-Retirement Fund	Total	Total
	(thousands of dollars)			
Assets				
Investments at market value (Note 3)	$ 803,859	$ 5,900	$ 809,759	$ 741,892
Cash	2,064	86	2,150	1,623
Contributions receivable	549	560	1,109	1,359
Interest and dividends receivable	3,355	-	3,355	1,382
Capital assets (Note 5)	820	-	820	609
Total Assets	810,647	6,546	817,193	746,865
Liabilities				
Accounts payable	2,154	3	2,157	262
Prepaid participants' contributions	94	-	94	68
Total liabilities	2,248	3	2,251	330
Net assets available for benefits	$ 808,399	$ 6,543	$ 814,942	$ 746,535

(see accompanying notes)

On behalf of the Pension Plan Board of Directors:

Director

Director

CAPITAL PENSION PLAN

DEFINED CONTRIBUTION FUNDS

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

Year ended December 31

	2005			2004
	Diversified Fund	Pre-Retirement Fund	Total	Total
	(thousands of dollars)			
Increase in Assets				
Contributions and transfers in:				
Participants' contributions	$ 11,994	$ 31	$ 12,025	$ 11,116
Members' contributions	10,039	26	10,065	9,262
Voluntary contributions	957	5	962	877
Transfers into the fund	7,164	-	7,164	3,396
Interfund transfers	(2,087)	2,087	-	-
	28,067	2,149	30,216	24,651
Investment income (Note 4)	54,274	186	54,460	64,001
Net unrealized gain in market value of investments	23,248	-	23,248	10,857
	105,589	2,335	107,924	99,509
Decrease in Assets				
Pension fund expenses:				
Investment management and custodian fees	1,873	8	1,881	1,462
Salaries and benefits	450	4	454	426
Other	503	10	513	374
	2,826	22	2,848	2,262
Withdrawals and transfers out:				
Withdrawals	31,610	2,334	33,944	30,973
Transfer to RAF (Note 6)	1,803	200	2,003	1,596
Transfers to other pension plans	722	-	722	237
	36,961	2,556	39,517	35,068
Increase (decrease) in net assets	68,628	(221)	68,407	64,441
Net assets available for benefits, beginning of year	739,771	6,764	746,535	682,094
Net assets available for benefits, end of year	$ 808,399	$ 6,543	$ 814,942	$ 746,535

(see accompanying notes)

CAPITAL PENSION PLAN

DEFINED CONTRIBUTION FUNDS

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

1. Description of Plan

The following description of Capital Pension Plan (the Plan) is a summary only. For more complete information, reference should be made to the Plan Text.

a) The Plan was established pursuant to **The Crown Corporations Act, 1978** and is continued under **The Crown Corporations Act, 1993**. The Plan is available to all corporations both in the public and private sector upon approval of the Plan's Board of Directors. The Plan is subject to **The Pension Benefits Act, 1992**.

b) The Plan is comprised of the Diversified Fund (DF), the Pre-Retirement Fund (PRF) and the Retirement Annuity Fund (RAF). The operations of the RAF are reported separately. A combined financial statement for these three funds has also been prepared.

i) The DF receives and holds, in trust, member and participant contributions as well as the related investments and investment income derived from these contributions.

The DF is available to all members, and members who are more than five years from their earliest retirement date must participate in this fund. The DF holds bonds, equities, real estate, pooled funds, mortgages and short term investments. The DF's mandate is to provide long term capital appreciation for members. Allocation of income is based on the market value of the fund. The total available to a member upon termination or retirement is equal to the particular member's account at that date, subject to certain vesting and other specific rules governing the Plan. For purposes of these financial statements, the Diversified Fund and the Pre-Retirement Fund are collectively called the Defined Contribution Funds (DCF).

ii) The PRF receives and holds, in trust, member and participant contributions as well as the related investments and investment income derived from these contributions.

The PRF is available to members whose age is within five years of their earliest allowable retirement date. The PRF's portfolio is invested solely in money market investments. The PRF is intended for those members who wish to protect themselves from the volatility of the investment markets. Participation in the PRF is at the discretion of the member. Allocation of income is based on earnings realized from the investments. The total available to a member upon termination or retirement is equal to the balance in the particular member's account at that date, subject to certain vesting and other specific rules governing the Plan.

iii) The RAF was established to enable the Plan to issue retirement annuities to Plan members.

c) Participants are responsible for the accuracy and completeness of member contributions remitted to the DF and PRF and for the employee payroll information on which benefit payments are determined. Accordingly, these financial statements presume the accuracy and completeness of the participants' contributions and payroll information received from participants.

d) The Plan is a Registered Pension Plan as defined in the **Income Tax Act** and is not subject to income taxes.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered to be significant:

Valuation of investments

The DCF investments are recorded at market value determined as follows:

a) Bonds, debentures and equities listed upon a recognized public exchange are valued at their closing sale price on the valuation date.

Bonds, debentures and equities not traded on a public exchange are valued at a price between the latest closing ask and bid prices.

Bonds, debentures and equities not traded on the valuation date are valued in the same manner as above based upon available public quotations in common use or at a price estimated to be the market value thereof.

Pooled funds are based on the quoted market price of the underlying investments.

b) Short-term investments are valued at cost which approximates their market value.

c) Mortgages are valued at their net present value using current market based rates of return.

d) Real estate investments are valued at market using an independent appraisal system that considers such factors as replacement cost and earnings results.

Investment transactions and income

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect at the year end date. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in income.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded on a straight line basis over their estimated useful lives as follows:

Computer equipment	3 years
Office furniture	5 years

2. Significant Accounting Policies (continued)

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments. Actual results could differ from these estimates.

3. Investments

Defined Contribution Funds investments consist of the following:

	2005	2004
	(thousands of dollars)	
Diversified Fund		
Bonds and debentures		
Government of Canada	$ 90,936	$ 85,261
Province of Saskatchewan	2,770	1,936
Other provincial	40,534	30,483
Municipal	733	665
Corporate and convertible	30,801	32,836
	165,774	151,181
Pooled Funds		
Canadian fixed income fund	115,224	108,041
S&P 400 synthetic stock index future fund	25,858	23,207
S&P 500 index fund hedged	54,161	52,120
Non-North American equity fund	72,798	54,626
	268,041	237,994
Short-term investments	46,728	42,623
Equities	278,962	260,810
Mortgage	599	628
Real estate	43,755	41,946
	803,859	735,182
Pre-Retirement Fund		
Canadian money market fund	5,900	6,710
	$ 809,759	$ 741,892

3. Investments (continued)

a) Short-term investments

These investments are comprised of treasury bills, notes and commercial paper with effective interest rates of 2.83% to 4.01% (2004 – 2.30% to 3.05%). Interest is receivable at maturity.

b) Bonds and debentures

The Funds' investment policy limits their investment concentration in any one investee or related group of investees to 10% of the fair value of their bond portfolio and to 30% for bonds and debentures issued by any one province.

Interest is generally receivable on a semi-annual basis for bonds and debentures. Interest rate risk for the Diversified Fund is shown in the following table.

	2005		2004	
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
Government of Canada	2.75 - 5.75%	2.60 - 4.10%	3.00 - 5.75%	2.79 - 4.82%
Province of Saskatchewan	5.00 - 6.40%	4.50 - 4.50%	5.75 - 6.40%	5.23 - 5.24%
Other provincial	4.44 - 8.00%	4.00 - 4.70%	4.20 - 6.50%	3.57 - 5.42%
Corporate and convertible	3.49 - 9.00%	4.10 - 7.00%	4.00 - 9.00%	3.32 - 7.00%

3. Investments (continued)

The principal amount is shown by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Bonds and debentures term to maturity - principal amount for the Diversified Fund:

	2005	2004
	(thousands of dollars)	
Government of Canada		
After one through five years	$ 56,283	$ 44,652
After five years	31,858	37,426
Province of Saskatchewan		
After five years	2,221	1,702
Other provincial		
After one through five years	5,585	3,845
After five years	30,445	24,252
Municipal		
After five years	618	618
Corporate and convertible		
Due in one year or less	500	-
After one through five years	12,893	11,563
After five years	15,908	19,376
	$ 156,311	$ 143,434

c) Equities

The Funds' investment policy allows no one holding to represent more than 10% of the market value of the portfolio and no one holding to represent more than 10% of the common stock in any corporation.

Included in equities is $126,571,000 (2004 – $106,662,000) denominated in currencies other than Canadian dollars.

d) Pooled Funds

The Plan limits its investment in individual pooled funds to not more than 10% of the market value of the individual pooled fund. The Plan's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager.

3. Investments (continued)

e) Mortgage

The mortgage is secured by Canadian commercial property and has an effective and stated interest rate of 5.50% (2004 - 5.50%). Principal and interest are receivable on a monthly basis. The term to maturity is 11.67 years (2004 – 12.67 years).

f) Real estate

Investments in real estate consist of Canadian commercial property.

Included in real estate is an investment of $2,417,000 (2004 - $2,037,000) in SaskPen Properties Ltd. SaskPen Properties Ltd. is a real estate corporation beneficially owned by Crown managed pension funds in the Province of Saskatchewan.

4. Investment Income

	2005	2004
	(thousands of dollars)	
Diversified Fund		
Bonds and debentures interest	$ 7,118	$ 12,633
Interest on short-term investments	1,107	745
Interest on mortgages	27	29
Dividends	6,110	9,897
Income from real estate	2,205	2,965
Gain on sale of bonds and debentures	4,333	3,773
Gain on sale of equities	30,543	33,676
Gain on sale of real estate	2,831	482
Loss on sale of short-term investments	-	(390)
	54,274	63,810
Pre-Retirement Fund		
Interest on short-term investments	186	191
	$ 54,460	$ 64,001

5. Capital Assets

Capital assets at cost less accumulated amortization:

	Cost	Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
	(thousands of dollars)			
Computer equipment	$ 999	$ 183	$ 816	$ 602
Office furniture	25	21	4	7
	$ 1,024	$ 204	$ 820	$ 609

6. Transfer to RAF

As indicated in note 1(b), members may purchase annuities from the RAF upon retirement. During 2005, members transferred $2,003,000 (2004 - $1,596,000) from the DCF to the RAF for purposes of purchasing retirement annuities.

7. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Funds by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

	2005		2004	
	Diversified Fund	Pre-Retirement Fund	Diversified Fund	Pre-Retirement Fund
	(thousands of dollars)			
Participant's contributions	$ 7,042	$ 8	$ 6,668	$ 35
Investment income	127	-	137	-
Contributions receivable	47	-	411	1
Interest and dividends receivable	44	-	34	-

Other transactions and amounts due to and from related parties are described separately in these financial statements and the notes thereto.

CAPITAL PENSION PLAN

DEFINED CONTRIBUTION FUNDS

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

9. Investment Performance

The DCF investments are managed by professional investment managers whose investment performance is measured against objectives established by the Capital Pension Plan Board of Directors as outlined in the Statement of Investment Policies and Goals.

The investment objective of the DF is to provide long-term growth within acceptable limits of risk. Based on this objective, the DF is a balanced fund including investments in equities, bonds, real estate, mortgages and short term instruments.

The investment objective of the PRF is to preserve capital over the short-term. The PRF is invested solely in short-term money market instruments.

The investment managers make day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives of the Fund. The Board of Directors reviews the investment performance of the funds in terms of the performance of the benchmark portfolios over 4 year rolling periods. The primary long-term investment performance objective for each of the Funds is to outperform a benchmark portfolio.

The following is a summary of the DCF's investment performance before operating expenses:

	2005 Return		Rolling Four Year Return	
	Diversified Fund	Pre-Retirement Fund	Diversified Fund	Pre-Retirement Fund
Actual rate of return	10.5%	2.7%	7.9%	2.5%
Benchmark rate of return	10.3%	2.6%	6.6%	2.6%

10. Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

For the following financial instruments including:
a) cash,
b) short-term investments
c) contributions receivable
d) interest and dividends receivable; and
e) accounts payable
the carrying amounts approximates fair value due to their immediate or short-term maturity.

For all other investments, fair values are considered to be market value, the calculation of which is detailed in note 2

Financial Statements of

CAPITAL PENSION PLAN
RETIREMENT ANNUITY FUND

Year ended December 31, 2005

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KPMG LLP
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AUDITORS' REPORT

To the Members of Capital Pension Plan - Retirement Annuity Fund

We have audited the statement of financial position of the Capital Pension Plan - Retirement Annuity Fund as at December 31, 2005 and the statement of operations and fund equity (deficit) for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Capital Pension Plan - Retirement Annuity Fund as at December 31, 2005 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
February 23, 2006

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CAPITAL PENSION PLAN

RETIREMENT ANNUITY FUND

STATEMENT OF FINANCIAL POSITION

As at December 31

	2005	2004
	(thousands of dollars)	
ASSETS		
Bonds and debentures (Note 3)	$ 26,855	$ 25,160
Pooled equity funds (Note 4)	3,994	3,652
Short-term investments	698	684
Total invested assets	31,547	29,496
Interest and accounts receivable	321	320
Cash	16	159
	$ 31,884	$ 29,975
LIABILITIES AND FUND EQUITY (DEFICIT)		
Liabilities		
Accounts payable (Note 7)	$ 6,174	$ 32
Provision for annuity benefits (Note 5)	26,596	23,502
	32,770	23,534
Fund equity (deficit)	(886)	6,441
	$ 31,884	$ 29,975

(see accompanying notes)

On behalf of the Pension Plan Board of Directors:

Director

Director

CAPITAL PENSION PLAN

RETIREMENT ANNUITY FUND

STATEMENT OF OPERATIONS AND FUND EQUITY (DEFICIT)

Year ended December 31

	2005	2004
	(thousands of dollars)	
Revenue		
Investment income	$ 2,109	$ 1,830
Gain (loss) on sale of investments	(19)	1,095
Transfers from Defined Contribution Funds upon members' retirement	2,003	1,596
	4,093	4,521
Expenses		
Annuity payments	2,050	2,005
Operating expenses	141	57
Increase in provision for annuity benefits (Note 5)	3,094	609
	5,285	2,671
Net increase in fund equity, before the undernoted	(1,192)	1,850
Settlement of claim	-	(8)
Provision for payment to members of the fund (Note 7)	(6,135)	-
Net increase (decrease) in fund equity	(7,327)	1,842
Fund equity, beginning of year	6,441	4,599
Fund equity (deficit), end of year	$ (886)	$ 6,441

(see accompanying notes)

CAPITAL PENSION PLAN

RETIREMENT ANNUITY FUND

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

1. Description of Plan

The following description of Capital Pension Plan (the Plan) is a summary only. For more complete information, reference should be made to the Plan Text.

a) The Plan was established pursuant to **The Crown Corporations Act, 1978**, and continued under **The Crown Corporations Act, 1993**. The Plan is available to all corporations both in the public and private sector upon approval of the Plan's Board of Directors. The Plan is subject to **The Pension Benefits Act, 1992**.

b) The Plan is comprised of the Retirement Annuity Fund (RAF) and the Defined Contribution Funds (DCF). A combined financial statement has also been prepared.

i) The RAF was established to provide retirement annuities to members of the Plan. Members in the Plan, upon retirement, may purchase a life annuity through the RAF or through a private issuer. If the member elects to purchase from the RAF, the individual's account balance is transferred from the Defined Contribution Funds to the RAF and a pension contract is established based on current interest rates and group annuity mortality tables.

Crown Investments Corporation of Saskatchewan is the Plan sponsor for the RAF and has ultimate responsibility for any shortfalls that may occur.

ii) The DCF receive and hold, in trust, member and participant contributions as well as the related investments and investment income derived from these contributions. The operations of the DCF are reported separately.

c) The Plan is a Registered Pension Plan and is not subject to income taxes under the **Income Tax Act.**

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered to be significant:

Valuation of Investments

a) Investments in bonds and debentures are carried at amortized cost. Related premiums or discounts are amortized on a straight-line basis over the remaining term of the investment.

b) Investment in pooled equity funds are carried at cost.

c) Short-term investments are carried at cost.

d) Investments are written down when there has been a decline in value, which is other than temporary.

2. Significant Accounting Policies (continued)

Investment Transactions and Income

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect at the year end date. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in income.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the provision for annuity benefits and provision for payment to members of the fund. Actual results could differ from these estimates.

3. Bonds and Debentures

Bonds and debentures include the following:

	2005		2004	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Government of Canada	$ 8,609	$ 9,768	$ 7,340	$ 8,045
Province of Saskatchewan	2,489	3,341	2,315	3,113
Other Provincial	15,519	18,763	14,728	16,985
Corporate	238	269	777	808
	$ 26,855	$ 32,141	$ 25,160	$ 28,951

The RAF's investment policy limits its investment concentration in any one investee or related group of investees to 10% of the fair value of its bond portfolio and to 30% for bonds and debentures issued by any one province.

3. Bonds and debentures (continued)

Interest rate risk is shown in the following table. Interest is generally receivable on a semi-annual basis for bonds and debentures.

	2005		2004	
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
Government of Canada	0.00 - 10.25%	3.68 - 4.09%	0.00 - 10.25%	2.22 - 4.92%
Province of Saskatchewan	0.00 - 10.00%	4.00 - 4.49%	0.00 - 10.00%	3.89 - 5.24%
Other provincial	0.00 - 10.13%	3.73 - 4.86%	0.00 - 10.13%	2.87 - 5.62%
Corporate and convertible	10.55 - 10.55%	4.28 - 4.28%	8.80 - 10.55%	2.83 - 3.64%

The principal amount and carrying amounts are shown below by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

	2005		2004	
	Carrying Amount	Principal Amount	Carrying Amount	Principal Amount
	(thousands of dollars)			
Government of Canada				
Due in one year or less	$ 193	$ 200	$ 158	$ 155
After one through five years	1,526	1,753	1,570	1,873
After five years	6,891	7,275	5,612	6,267
Province of Saskatchewan				
After one through five years	$ 993	972	-	-
After five years	1,495	1,552	2,315	2,419
Other Provincial				
Due in one year or less	594	592		
After one through five years	158	160	596	592
After five years	14,767	17,615	14,132	17,967
Corporate				
After five years	238	250	777	750
	$ 26,855	$ 30,369	$ 25,160	$ 30,023

4. Pooled Equity Funds

The RAF limits its investment in a single pooled equity fund to not be more than 10% of the fair value of its investment portfolio. Foreign equities are limited to 20% of the book value of the total funds. These funds have no fixed interest rate and their returns are based on the investment performance attained by the fund manager. The market value of the pooled equity funds held are as follows:

	2005		2004	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Canadian equity funds	$ 2,805	$ 6,014	$ 2,489	$ 4,715
Non-North American equity funds	1,189	1,208	1,163	1,070
	$ 3,994	$ 7,222	$ 3,652	$ 5,785

5. Provision for Annuity Benefits

The provision for annuity benefits is the actuarial present value of the future expected annuity benefit obligation to pensioners as annually determined as at December 31 by AON Consulting Inc., an independent actuary. The actuarial valuation is a complex process requiring professional judgment on the part of the actuary. Measurement of this amount is uncertain, as estimates must be made of future interest rates and mortality rates. For purposes of this actuarial valuation, a discount rate of 4.70% (2004 – 5.25% for first 15 years, 6% thereafter) was used. Also, the 1994 mortality tables have been used. If the discount rate used increases by 1%, the provision for annuity benefits decreases by $2,285,000 or if the discount rate used decreases by 1%, the provision for annuity benefits increases by $2,691,000. If average mortality age increases by 1.1 years the provision for annuity benefits increases by $1,016,000.

The annual change in the liability is reflected in the statement of operations and fund equity. The principal components of the change during the year were as follows:

	2005	2004
	(thousands of dollars)	
Provision, beginning of year	$ 23,502	$ 22,893
Increase in liability due to new annuitants during year	1,998	1,538
Net change in liability due to aging and gain from mortality	(83)	(129)
Expected annuity payments with interest	(2,048)	(2,002)
Interest on liabilities	1,234	1,202
Change in discount rate and mortality assumptions	1,993	-
Provision, end of year	$ 26,596	$ 23,502

6. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Plan by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

	2005	2004
	(thousands of dollars)	
Investment income	$ 203	$ 204
Interest income receivable	91	87

Other transactions and amounts due to and from related parties are described separately in these financial statements and the notes thereto.

7. Accounts payable

During the year, and based on a judgment ruling in favor of a former participant, management has accrued an estimated liability of $6,135,000 payable to other members of the fund.

8. Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

For the following financial instruments:

a) cash,
b) short-term investments,
c) interest and accounts receivable, and
d) accounts payable

the cost approximates the fair value due to their immediate or short-term maturity.

The fair value of bonds and debentures is estimated based on bid quotations received from security dealers for these or similar investments.

The fair value of the pooled equity funds is based on the quoted market price of the underlying equity investments, normally the current bid price.

The fair value of the provision for annuity benefit cannot be readily determined, however information about this liability is provided in Note 5.

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Financial Statements of

CAPITAL PENSION PLAN
COMBINED

Year ended December 31, 2005

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AUDITORS' REPORT

To the Members of the Legislative Assembly
Province of Saskatchewan

We have audited the combined statement of net assets available for benefits and fund equity of the Capital Pension Plan as at December 31, 2005 and the combined statement of changes in net assets available for benefits and fund equity (deficit) for the year then ended. These combined financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these combined financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these combined financial statements present fairly, in all material respects, the net assets available for benefits of the Capital Pension Plan as at December 31, 2005 and the changes in net assets available for benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Regina, Canada
February 23, 2006

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CAPITAL PENSION PLAN

COMBINED STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS AND FUND EQUITY (DEFICIT)

As at December 31

	2005				2004
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Assets					
Investments at market value (Note 4)	$ 803,859	$ 5,900	$ -	$ 809,759	$ 741,892
Investments at cost (Note 5)	-	-	31,547	31,547	29,496
Total investments	803,859	5,900	31,547	841,306	771,388
Cash	2,064	86	16	2,166	1,782
Contributions receivable	549	560	-	1,109	1,359
Interest and dividends receivable	3,355	-	321	3,676	1,702
Capital assets (Note 9)	820	-	-	820	609
Total assets	810,647	6,546	31,884	849,077	776,840
Liabilities					
Accounts payable (Note 13)	2,154	3	6,174	8,331	294
Prepaid participants' contributions	94	-	-	94	68
Provision for annuity benefits (Note 10)	-	-	26,596	26,596	23,502
Total liabilities	2,248	3	32,770	35,021	23,864
Fund equity (deficit)	-	-	(886)	(886)	6,441
Total liabilities and fund equity	2,248	3	31,884	34,135	30,305
Net assets available for benefits	$ 808,399	$ 6,543	$ -	$ 814,942	$ 746,535

(see accompanying notes)

On behalf of the Pension Plan Board of Directors:

Director

Director

CAPITAL PENSION PLAN

COMBINED STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS AND FUND EQUITY (DEFICIT)

Year ended December 31

	2005					2004
	Diversified Fund	Pre-Retirement Fund	Total Defined Contribution Funds	Retirement Annuity Fund	Total	Total
	(thousands of dollars)					
Increase in Assets						
Investment income (Note 6)	$ 54,274	$ 186	$ 54,460	$ 2,090	$ 56,550	$ 65,831
Contributions and transfers in (Note 7)	26,264	1,949	28,213	2,003	30,216	24,651
Net unrealized change in market value of investments	23,248	-	23,248	-	23,248	11,952
	103,786	2,135	105,921	4,093	110,014	102,434
Decrease in Assets						
Withdrawals and transfers out (Note 8)	32,332	2,334	34,666	-	34,666	31,210
Annuity payments	-	-	-	2,050	2,050	2,005
Increase in provision for annuity benefits (Note 10)	-	-	-	3,094	3,094	609
Operating expenses	2,826	22	2,848	141	2,989	2,319
	35,158	2,356	37,514	5,285	42,799	36,143
Increase (decrease) in Net Assets before the undernoted	68,628	(221)	68,407	(1,192)	67,215	66,291
Settlement of claim	-	-	-	-	-	(8)
Provision for payment to members of the fund (Note13)	-	-	-	(6,135)	(6,135)	-
Increase (decrease) in Net Assets	68,628	(221)	68,407	(7,327)	$ 61,080	$ 66,283
Fund equity, beginning of year	-	-	-	6,441		
Fund equity (deficit), end of year	-	-	-	$ (886)		
Net assets available for benefits, beginning of year	739,771	6,764	746,535			
Net assets available for benefits, end of year	$ 808,399	$ 6,543	$ 814,942			

(see accompanying notes)

CAPITAL PENSION PLAN

NOTES TO COMBINED FINANCIAL STATEMENTS

December 31, 2005

1. Description of Plan

The following description of Capital Pension Plan (the Plan) is a summary only. For more complete information, reference should be made to the Plan Text.

a) The Plan was established pursuant to **The Crown Corporations Act, 1978** and is continued under **The Crown Corporations Act, 1993**. The Plan is available to all corporations both in the public and private sector upon approval of the Plan's Board of Directors. The Plan is subject to **The Pension Benefits Act, 1992**.

b) The Plan is comprised of the Diversified Fund (DF), the Pre-Retirement Fund (PRF) and the Retirement Annuity Fund (RAF). The DF and PRF are defined contribution funds while the RAF offers annuities to members upon retirement. The DF and the PRF are collectively called the Defined Contribution Funds (DCF).

i) The DF receives and holds, in trust, member and participant contributions as well as the related investments and investment income derived from these contributions.

The DF is available to all members and members who are more than five years from their earliest retirement date must participate in this fund. The DF holds bonds, equities, real estate, pooled funds, mortgages and short term investments. The DF's mandate is to provide long term capital appreciation for members. Allocation of income is based on the market value of the fund. The total available to a member upon termination or retirement is equal to the particular member's account at that date, subject to certain vesting and other specific rules governing the Plan.

ii) The PRF receives and holds, in trust, member and participant contributions as well as the related investments and investment income derived from these contributions.

The PRF is available to members whose age is within five years of their earliest allowable retirement date. The PRF's portfolio is invested solely in money market investments. The PRF is intended for those members who wish to protect themselves from the volatility of the investment markets. Participation in the PRF is at the discretion of the member. Allocation of income is based on earnings realized from the investments. The total available to a member upon termination or retirement is equal to the balance in the particular member's account at that date, subject to certain vesting and other specific rules governing the Plan.

iii) The RAF was established to provide retirement annuities to members of the Plan. Members in the Plan, upon retirement, may purchase a life annuity through the RAF or through a private issuer. If the member elects to purchase from the RAF, the individual's account balance is transferred from the DCF to the RAF and a pension annuity contract is established based on current interest rates and group annuity mortality tables.

1. Description of Plan (continued)

c) Crown Investments Corporation of Saskatchewan is the sponsor for the RAF and has ultimate responsibility for any shortfalls that may occur. The DF and PRF have no responsibility to fund any shortfalls in the RAF.

d) Participants are responsible for the accuracy and completeness of member contributions remitted to the DF and PRF and for the employee payroll information on which benefit payments are determined. Accordingly, these financial statements presume the accuracy and completeness of the participants' contributions and payroll information received from participants.

e) The Plan is a Registered Pension Plan and is not subject to income taxes under the **Income Tax Act**.

2. Scope of Financial Statements

Separate funds exist for the DCF and the RAF but are subject to common administration. Accordingly, these combined financial statements have been prepared to reflect this common administration. For further information readers should refer to the individual statements of the DCF and the RAF.

3. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. The following are considered to be significant:

Valuation of investments

a) The DCF investments are recorded at market value determined as follows:

i) Bonds, debentures and equities listed upon a recognized public exchange are valued at their closing sale price on the valuation date.

Bonds, debentures and equities not traded on the valuation date are valued at a price between the latest closing ask and bid prices.

Bonds, debentures and equities not listed upon any exchange are valued in the same manner as above based upon available public quotations in common use or at a price estimated to be the market value thereof.

Pooled funds are valued based on the quoted market price of the underlying investments.

ii) Short-term investments are valued at cost which approximates their market value.

iii) Mortgages are valued at their net present value using current market based rates of return.

iv) Real estate investments are valued at market using an independent appraisal system that considers such factors as replacement cost and earnings results.

3. Significant Accounting Policies (continued)

b) The RAF investments are recorded as follows:

i) Investments in bonds and debentures are carried at amortized cost. Related premiums or discounts are amortized on a straight-line basis over the remaining term of the investment.

ii) Investments in pooled equity funds are carried at cost.

iii) Short-term investments are carried at cost.

iv) Investments are written down when there has been a decline in value, which is other than temporary.

Investment transactions and income

Monetary items denominated in foreign currency are translated to Canadian dollars at exchange rates in effect at the year end date. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in income.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded on a straight line basis over their estimated useful lives as follows:

Computer equipment	3 years
Office furniture	5 years

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments, the provision for annuity benefits and provision for payment to members of the fund. Actual results could differ from these estimates.

4. Defined Contribution Funds Investments

	2005	2004
	(thousands of dollars)	
Diversified Fund		
Bonds and debentures		
Government of Canada	$ 90,936	$ 85,261
Province of Saskatchewan	2,770	1,936
Other provincial	40,534	30,483
Municipal	733	665
Corporate and convertible	30,801	32,836
	165,774	151,181
Pooled Funds		
Canadian fixed income fund	115,224	108,041
S&P 400 synthetic stock index future fund	25,858	23,207
S&P 500 index fund hedged	54,161	52,120
Non-North American equity fund	72,798	54,626
	268,041	237,994
Short-term investments	46,728	42,623
Equities	278,962	260,810
Mortgage	599	628
Real estate	43,755	41,946
	803,859	735,182
Pre-Retirement Fund		
Canadian money market fund	5,900	6,710
	$ 809,759	$ 741,892

a) Short-term investments

These investments are comprised of treasury bills, notes and commercial paper with effective interest rates of 2.83% to 4.01% (2004 – 2.30% to 3.05%). Interest is receivable at maturity.

b) Bonds and Debentures

The Funds' investment policy limits their investment concentration in any one investee or related group of investees to 10% of the fair value of their bond portfolio and to 30% for bonds and debentures issued by any one province.

4. Defined Contribution Funds Investments (continued)

Interest is generally receivable on a semi-annual basis for bonds and debentures. Interest rate risk for the Diversified Fund is shown in the following table.

	2005		2004	
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
Government of Canada	2.75 - 5.75%	2.60 - 4.10%	3.00 - 5.75%	2.79 - 4.82%
Province of Saskatchewan	5.00 - 6.40%	4.50 - 4.50%	5.75 - 6.40%	5.23 - 5.24%
Other provincial	4.44 - 8.00%	4.00 - 4.70%	4.20 - 6.50%	3.57 - 5.42%
Corporate and convertible	3.49 - 9.00%	4.10 - 7.00%	4.00 - 9.00%	3.32 - 7.00%

The principal amount is shown by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Bonds and debentures term to maturity - principal amount for the Diversified Fund:

	2005	2004
	(thousands of dollars)	
Government of Canada		
After one through five years	$ 56,283	$ 44,652
After five years	31,858	37,426
Province of Saskatchewan		
After five years	2,221	1,702
Other provincial		
After one through five years	5,585	3,845
After five years	30,445	24,252
Municipal		
After five years	618	618
Corporate and convertible		
Due in one year or less	500	-
After one through five years	12,893	11,563
After five years	15,908	19,376
	$ 156,311	$ 143,434

c) Equities

The Funds' investment policy allows no one holding to represent more than 10% of the market value of the portfolio and no one holding to represent more than 10% of the common stock in any corporation.

Included in equities is $126,571,000 (2004 – $106,662,000) denominated in currencies other than Canadian dollars.

4. Defined Contribution Funds Investments (continued)

d) Pooled Funds

The Plan limits its investment in individual pooled funds to not more than 10% of the market value of the individual pooled fund. The Plan's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager.

e) Mortgage

The mortgage is secured by Canadian commercial property and has an effective and stated interest rate of 5.50% (2004 - 5.50%). Principal and interest are receivable on a monthly basis. The term to maturity is 11.67 years(2004 – 12.67 years).

f) Real estate

Investments in real estate consist of Canadian commercial property.

Included in real estate is an investment of $2,417,000 (2004 - $2,037,000) in SaskPen Properties Ltd. SaskPen Properties Ltd. is a real estate corporation beneficially owned by Crown managed pension funds in the Province of Saskatchewan.

5. Retirement Annuity Fund Investments

a) Retirement Annuity Fund investments consist of the following:

	2005		2004	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Bonds and debentures	$ 26,855	$ 32,141	$ 25,160	$ 28,951
Pooled equity funds	3,994	7,222	3,652	5,785
Short-term investments	698	698	684	684
	$ 31,547	$ 40,061	$ 29,496	$ 35,420

Bonds and debentures include the following:

	2005		2004	
	Carrying Value	Fair Value	Carrying Va'ue	Fair Value
	(thousands of dollars)			
Government of Canada	$ 8,609	$ 9,768	$ 7,340	$ 8,045
Province of Saskatchewan	2,489	3,341	2,315	3,113
Other Provincial	15,519	18,763	14,728	16,985
Corporate	238	269	777	808
	$ 26,855	$ 32,141	$ 25,160	$ 28,951

5. Retirement Annuity Fund Investments (continued)

The Fund's investment policy limits its investment concentration in any one investee or related group of investees to 10% of the fair value of its bond portfolio and to 30% for bonds and debentures issued by any one province.

Interest rate risk is shown in the following table. Interest is generally receivable on a semi-annual basis for bonds and debentures.

	2005		2004	
	Coupon Rate	Effective Rate	Coupon Rate	Effective Rate
Government of Canada	0.00 - 10.25%	3.68 - 4.09%	0.00 - 10.25%	2.22 - 4.92%
Province of Saskatchewan	0.00 - 10.00%	4.00 - 4.49%	0.00 - 10.00%	3.89 - 5.24%
Other provincial	0.00 - 10.13%	3.73 - 4.86%	0.00 - 10.13%	2.87 - 5.62%
Corporate and convertible	10.55 - 10.55%	4.28 - 4.28%	8.80 - 10.55%	2.83 - 3.64%

The principal amount and carrying amounts are shown below by contractual maturity. Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

	2005		2004	
	Carrying Amount	Principal Amount	Carrying Amount	Principal Amount
	(thousands of dollars)			
Government of Canada				
Due in one year or less	$ 193	$ 200	$ 158	$ 155
After one through five years	1,526	1,753	1,570	1,873
After five years	6,891	7,275	5,612	6,267
Province of Saskatchewan				
After one through five years	993	972	-	-
After five years	1,495	1,552	2,315	2,419
Other Provincial				
Due in one year or less	594	592	-	-
After one through five years	158	160	596	592
After five years	14,767	17,615	14,132	17,967
Corporate				
After five years	238	250	777	750
	$ 26,855	$ 30,369	$ 25,160	$ 30,023

5. Retirement Annuity Fund Investments (continued)

b) Pooled equity funds

The RAF limits its investment in a single pooled equity fund to not be more than 10% of the fair value of its investment portfolio. Foreign equities are limited to 20% of the book value of the total funds. These funds have no fixed interest rate and their returns are based on the investment performance attained by the fund manager. The market value of the pooled equity funds held are as at December 31, 2005:

	2005		2004	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(thousands of dollars)			
Canadian equity funds	$ 2,805	$ 6,014	$ 2,489	$ 4,715
Non-North American equity funds	1,189	1,208	1,163	1,070
	$ 3,994	$ 7,222	$ 3,652	$ 5,785

c) Short-term investments

At December 31, 2005, the Fund had $698,000 (2004 - $684,000) invested in short-term investments with an average rate of 3.33% (2004 - 2.41%).

6. Investment Income

Investment income is comprised of the following:

	2005				2004
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Bond and debenture interest	$ 7,118	$ -	$ 1,751	$ 8,869	$ 14,358
Interest on short-term investments	1,107	186	17	1,310	951
Interest on mortgages	27	-	-	27	29
Dividends	6,110	-	341	6,451	9,987
Income from real estate	2,205	-	-	2,205	2,965
Gain (loss) on sale of bonds and debentures	4,333	-	(19)	4,314	3,773
Gain on sale of equities	30,543	-	-	30,543	33,676
Gain on sale of real estate	2,831	-	-	2,831	482
Loss on sale of short-term investments	-	-	-	-	(390)
	$ 54,274	$ 186	$ 2,090	$ 56,550	$ 65,831

7. Contributions and Transfers in

Contributions and transfers in are comprised of the following:

	2005				2004
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Participants' contributions	$ 11,994	$ 31	$ -	$ 12,025	$ 11,116
Members' contributions	10,039	26	-	10,065	9,262
Voluntary contributions	957	5	-	962	877
Transfers into the fund	7,164	-	-	7,164	3,396
Interfund transfers	(3,890)	1,887	2,003	-	-
	$ 26,264	$ 1,949	$ 2,003	$ 30,216	$ 24,651

8. Withdrawals and Transfers Out

Withdrawals and transfers out are comprised of the following:

	2005				2004
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Withdrawals	$ 31,610	$ 2,334	$ -	$ 33,944	$ 30,973
Transfers to other pension plans	722	-	-	722	237
	$ 32,332	$ 2,334	$ -	$ 34,666	$ 31,210

9. Capital Assets

Capital assets at cost less accumulated amortization:

	Cost	Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
	(thousands of dollars)			
Computer equipment	$ 999	$ 183	$ 816	$ 602
Office furniture	25	21	4	7
	$ 1,024	$ 204	$ 820	$ 609

10. Provision for Annuity Benefits

The provision for annuity benefits is the actuarial present value of the future expected annuity benefit obligation to pensioners as annually determined as at December 31 by AON Consulting Inc., an independent actuary. The actuarial valuation is a complex process requiring professional judgment on the part of the actuary. Measurement of this amount is uncertain, as estimates must be made of future interest rates and mortality rates. For purposes of this actuarial valuation, a discount rate of 4.70% (2004 – 5.25% for first 15 years, 6% thereafter) was used. Also, the 1994 mortality tables have been used. If the discount rate used increases by 1%, the provision for annuity benefits decreases by $2,285,000 or if the discount rate used decreases by 1%, the provision for annuity benefits increases by $2,691,000. If average mortality age increases by 1.1 years the provision for annuity benefits increases by $1,016,000.

The annual change in the liability is reflected in the statement of operations and fund equity. The principal components of the change during the year were as follows:

	2005	2004
	(thousands of dollars)	
Provision, beginning of year	$ 23,502	$ 22,893
Increase in liability due to new annuitants during year	1,998	1,538
Net change in liability due to aging and gain from mortality	(83)	(129)
Expected annuity payments with interest	(2,048)	(2,002)
Interest on liabilities	1,234	1,202
Change in discount rate and mortality assumptions	1,993	-
Provision, end of year	$ 26,596	$ 23,502

11. Related Party Transactions

Included in these financial statements are transactions with various Saskatchewan Crown corporations, departments, agencies, boards and commissions related to the Funds by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as "related parties").

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions, and amounts outstanding at year end, are as follows:

	2005				2004
	Diversified Fund	Pre-Retirement Fund	Retirement Annuity Fund	Total	Total
	(thousands of dollars)				
Participants' contributions	$ 7,042	$ 8	$ -	$ 7,050	$ 6,703
Investment income	127	-	203	330	341
Contributions receivable	47	-	-	47	412
Interest and dividends receivable	44	-	91	135	121

Other transactions and amounts due to and from related parties are described separately in these financial statements and the notes thereto.

12. Investment Performance

The DCF and the RAF investments are managed by professional investment managers whose investment performance is measured against objectives established by the Capital Pension Plan Board of Directors as outlined in the Statement of Investment Policies and Goals.

The investment objective of the DF is to provide long-term growth within acceptable limits of risk. Based on this objective, the DF is a balanced fund including investments in equities, bonds, real estate, mortgages and short term instruments.

The investment objective of the PRF is to preserve capital over the short-term. The PRF is invested solely in short-term money market instruments.

The investment managers make day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives of the Fund. The Board of Directors reviews the investment performance of the funds in terms of the performance of the benchmark portfolios over 4 year rolling periods. The primary long-term investment performance objective for each of the Funds is to outperform a benchmark portfolio.

12. Investment Performance (continued)

The following is a summary of the DCF's investment performance before operating expenses:

	2005 Return		Rolling Four Year Return	
	Diversified Fund	Pre-Retirement Fund	Diversified Fund	Pre-Retirement Fund
Actual rate of return	10.5%	2.7%	7.9%	2.5%
Benchmark rate of return	10.3%	2.6%	6.6%	2.6%

The investment objective of the RAF is to provide sufficient liquidity to ensure payment to annuitants when due and to ensure long-term solvency of the Fund. The Fund pursues a duration matching investment strategy that immunizes the portfolio from interest rate fluctuations. As a result, there is no benchmark return for the RAF.

13. Accounts payable

During the year, and based on a judgment ruling in favor of a former participant, management has accrued an estimated liability of $6,135,000 payable to other members of the fund.

14. Fair Value

The following methods and assumptions were used to estimate the fair value of each class of financial assets and financial liabilities:

For the following financial instruments:
a) cash,
b) short-term investments,
c) contributions receivable,
d) interest and dividends receivable, and
e) accounts payable
the carrying amounts approximates fair value due to their immediate or short-term maturity.

The fair value of all other investments is considered to be market value, the determination of which is disclosed in note 3 (a).

The fair value of the provision for annuity benefits cannot be readily determined, however information about this liability is provided in note 10.